Suggestions of Textile Companies regarding Post Quota Regime

1684. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of TEXTILES be pleased to state:

(a) whether Textile Companies, bracing up for quota free regime in global textile trade beginning from January, 2005 have raised objections to Agriculture Ministry proposal to subsidise cotton exports in the wake of record cotton production this year;

(b) whether Agriculture Ministry had earlier proposed WTO compatible subsidy for export of cotton, as a measure to stabilize domestic cotton prices and avoid distress sale by farmers;

(c) whether ICMF has pointed out that export assistance would only enrich cotton traders who export rather than farmers; and

(d) if so, to what extent Government have agreed to the suggestions of textile companies?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) Due to higher cotton production globally as well as in India, cotton prices during the current cotton year (October 2004-September 2005), both in domestic as well as international markets, are ruling lower than the prices prevailed during the last cotton year. On 19.10.2004 the Ministry of Agriculture (Government of India) had organized a meeting to review the situation so as to ensure remunerative prices to the cotton growers. The representatives of the Indian Cotton Mills Federation and the East India Cotton Association alongwith others attended the meeting. It was decided in the meeting that, apart from carrying out the support price operations wherever required, possibilities may be explored for export of surplus cotton from the country.

(c) and (d) There was apprehension in certain quarters that benefits of export of cotton may not reach to the farmers. Therefore, it has been decided to give assistance to the Cotton Corporation of India towards handling, processing and internal transport for export of cotton out of the purchases made under Minimum Support Price only.

Textile units in Tamil Nadu

1685. SHRI N.R. GOVINDRAJAR: Will the Minister of TEXTILES be pleased to state:

(a) the number of textile units, powerlooms, handloom, synthetic yarn, readymade garments and hosiery items manufacturing units in Tamil Nadu;

(b) the amount spent by Government on development of textiles during the last three years; and

(c) the steps taken or proposed to be taken by Government to promote export of fabrics manufactured in these units?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) The number of textile units in Tamil Nadu as on 31.12.2004 is given below:

Sl. No.	Type of Textile Unit	Nos.
1	Cotton/man made fibre textile mills (including SSI)	1730
2	Powerloom	73049
3	Handloom	201909*
4	Synthetic yarn	1
5	Ready made garments	3474

*As per census of handlooms 1995-96. @ - Source SIPCOT, Tamil Nadu

(b) The details of plan expenditure by the Government for the development of textile industry during the last three years is as under:

(*Rs. in crores*)

2002-03	2003-04	2004-05 (till September 2004)
602.45	638.66	216.03

(c) The Government has taken the following steps for promotion of exports of Textiles including fabrics:

(i) Rationalisation of fiscal duty structure undertaken so as to attract investment and modernisation;

(ii) Launching of the Technology Upgradation Fund Scheme (TUFS) to facilitate the modernisation and upgradation of the sector;

(iii) For accelerating modernization of powerlooms segment of the textile industry, 20% Capital assistance is available on investment upto Rs. 100 lakh in specified machinery subject to a ceiling of Rs. 20 lakh on amount of assistance;

(iv) Announcement of a package for restructuring of debt portfolios of potentially viable textile units having debt exposure of Rs. 2 crore and above;

(v) De-reservation of the woven segment of readymade garments from the SSI sector. In the Union Budget 2005-06, an announcement has been made for de-reservation of 30 hosiery items from the SSI;

(vi) A centrally sponsored scheme titled "Apparel Park for Export Scheme" launched for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports;

(vii) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has also been launched;

(viii) Cotton Technology Mission launched to improve the productivity and quality of cotton;

(ix) Financial assistance is provided under the scheme namely, Handloom Export Scheme to the eligible agencies for development of exportable products, publicity and participation in international trade events.

Slump in Cotton Industry

†1686. SHRI P.K. MAHESHWARI: Will the Minister of TEXTILES be pleased to state:

(a) whether the cotton industry of the country is reeling under constant slump;

(b) whether a steep decline has been registered in the year-wise production of silk cotton (narma) during the last 10 years;

(c) if so, the details thereof; and

(d) the steps being taken by Government to provide relief to the cotton ginning industry in the country;

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) The production and the consumption of cotton during 2002-03, 2003-04 & 2004-05 (given below) show an increasing trend. The export of cotton textiles (cotton fibre, yarn & fabric) has also shown an increasing trend during the period 2001-02 to 2003-04. Therefore it would not be appropriate to say that the cotton industry is reeling under constant slump.

†Original notice of the question was received in Hindi.